

HOUSE SUMMARY OF SENATE AMENDMENTS**HB 1055****2022 Regular Session****Hughes**

RACING/HORSE: Provides relative to horse racing

Synopsis of Senate Amendments

1. Requires that the rules and regulations to be adopted by the commission relative to full-time and seasonal employment requirements include food service, marketing, pari-mutuel windows, and kiosk repair staffing.
2. Requires each association to establish and maintain a facility maintenance and improvement fund, specifies the fund's purpose, and provides that the fund shall be subject to audit by the La. State Racing Commission and the legislative auditor.
3. Defines the terms "gross profits", "state tax", and "taxable net slot machine proceeds".
4. Requires that, after July 1, 2022, 50% of gross profits are to be deposited into the facility maintenance and improvement fund until all commission-required facility maintenance and improvements have been completed.
5. After initial maintenance and improvements have been completed satisfactorily, requires each association to maintain a minimum fund balance of ten million dollars.
6. Requires each licensed eligible facility or licensee to establish a facility maintenance and improvement fund.
7. Provides that for any new license or license renewal issued on or after July 1, 2022, the establishment of, deposits into, and maintenance of the fund shall be a condition of licensing and shall be required by the owner of the licensed eligible facility or licensee in order to maintain continued authority to conduct slot machines gaming.
8. Makes technical changes.

Digest of Bill as Finally Passed by Senate

Present law provides for specific duties of the La. State Racing Commission (commission).

Proposed law provides for the following additional duties of the commission:

- (1) Promulgate rules setting forth minimum standards and infrastructure investments required of each association for facility maintenance and improvements, such as minimum standards for track surface, barns, grand stands, and paddocks in order for the association to be eligible to conduct race meets at a particular track.
- (2) Promulgate rules setting forth minimum employment requirements, including but not limited to food service, marketing, pari-mutuel windows, and kiosk repair staffing, for both full-time and seasonal workers in order for the association to be eligible to conduct race meets at a particular track.

Present law authorizes the commission to require licensed associations to submit a written report and sets forth certain guidelines to be included in the report, including a plan of

operation and a summary of the prior year's plan of operation. Proposed law changes these reporting provisions from a regulation the commission is authorized to enforce to a regulation the commission is required to enforce.

Proposed law requires facility improvements to be included in the plan of operation guidelines set forth in present law.

Present law and proposed law provisions define "facility maintenance" and "facility improvements".

Proposed law requires each association or licensee as defined in present law (R.S. 4:143) to submit to the commission, the Senate Committee on Judiciary B, and the House Committee on Commerce, by certified mail no later than 20 days after the end of each calendar quarter, a report that provides all of the following:

- (1) The names each individual, corporation, firm, partnership, association, or other legal entity that provides professional services to the association or licensee, including the name and addresses of each entity and whether the entity providing the services is a La. registered business, female-owned, or minority-owned.
- (2) The demographic information of the association's or licensee's workforce, including race, gender, and La. residency.

Proposed law defines "professional services".

Proposed law requires the reports set forth in proposed law to be public record and governed by Public Records Law.

Proposed law provides that the reports required pursuant to proposed law are not required to contain compensation amounts paid by the association to each individual or legal entity in exchange for professional services or the compensation paid to each of its employees.

Proposed law authorizes the commission to suspend or withdraw licenses, permits, and other privileges or to terminate racing privileges for failure to comply with the reporting requirements in accordance with proposed law.

Proposed law requires the commission to adopt rules for the implementation of proposed law and requires such rules to be adopted pursuant to the Administrative Procedure Act.

Proposed law requires the first report required pursuant to proposed law to be submitted on or before October 20, 2022.

Proposed law authorizes the commission to suspend or withdraw licenses, permits, and privileges or terminate racing privileges for failure to spend necessary funds in order to maintain minimum facility maintenance and facility improvement criteria established by the commission.

Proposed law requires each association to establish and maintain a facility maintenance and improvement fund, specifies the fund's purpose, and provides that the fund shall be subject to audit by the La. State Racing Commission and the legislative auditor.

Proposed law defines "gross profits", "state tax", and "taxable net slot machine proceeds".

Proposed law requires that, after July 1, 2022, 50% of gross profits are to be deposited into the facility maintenance and improvement fund until all commission-required facility maintenance and improvements have been completed. Requires the deposits to be made at the same time that the state tax is paid.

Proposed law provides that after initial maintenance and improvements have been completed

satisfactorily, each association is required to maintain a minimum fund balance of \$10,000,000.

Proposed law requires each licensed eligible facility or licensee to establish a facility maintenance and improvement fund as provided in proposed law.

Proposed law provides that for any new license or license renewal issued by the board on or after July 1, 2022, the establishment of, deposits into, and maintenance of the fund shall be a condition of licensing and shall be required by the owner of the licensed eligible facility or licensee in order to maintain continued authority to conduct slot machines gaming.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 4:158.1 and 160(B); Adds R.S. 4:147(7) and (8), 158.2, 160(C), and 164, and R.S. 27:391.3)